



DEFENSE SECURITY COOPERATION AGENCY: AGENCY OVERVIEW

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SECURITY COOPERATION: A KEY POLICY TOOL FOR THE 21st CENTURY



FOREIGN POLICY GOALS

- **BUILD INSTITUTIONS TO KEEP AMERICANS SAFE AND THE WORLD PEACEFUL**
- **SUSTAIN OUR PROSPERITY AND EXPAND GLOBAL ECONOMY**
- **PROMOTE AMERICAN PRINCIPLES & VALUES**

NATIONAL SECURITY GOALS

- **TO ENHANCE OUR SECURITY WITH MILITARY FORCES THAT ARE READY TO FIGHT**
- **TO BOLSTER AMERICA'S ECONOMIC REVITALIZATION**
- **TO PROMOTE DEMOCRACY ABROAD**

SECURITY ASSISTANCE PROGRAM

CINC GOALS

- **COALITION BUILDING**
- **FORWARD PRESENCE**
- **INTEROPERABILITY**
- **REGIONAL STABILITY**
- **CRISIS MANAGEMENT**
- **THEATER DETERRENCE**



SECURITY COOPERATION PROGRAM



- **FMS BUSINESS 1999**

- **\$12.2B IN SALES**
- ▢ **\$18.4B IN DELIVERIES**
- ▢ **15,000 OPEN CASES VALUED AT \$226B**
- ▢ **\$70B IN THE PIPELINE**
- ▢ **\$5.5B IN CUSTOMER TRUST FUNDS**

- **GRANT ASSISTANCE**

- ▢ **\$3.4B FMF IN 1999**
- ▢ **\$50M IMET PROGRAM WITH 118 COUNTRIES**

- **DOD PROGRAMS**

- **\$71.5M IN HUMANITARIAN ASSISTANCE TO 80 COUNTRIES**
- ▢ **\$16M IN HUMANITARIAN DEMINING TO 23 COUNTRIES**
- ▢ **\$41.4M FOR WARSAW INITIATIVE**
- ▢ **\$1.9M FOR AFRICA CENTER FOR STRATEGIC STUDIES**

- **RESOURCES**

- ▢ **\$370M BUDGET**
- ▢ **4,837 WORKYEARS**
- ▢ **695 SAOs**



FUNCTIONAL VIEW OF THE SECURITY ASSISTANCE COMMUNITY



4,837 WORK YEARS

HEADQUARTERS

(149)

**DSCA
ACTIVITIES**

(167)

**FIELD
AGENCIES**

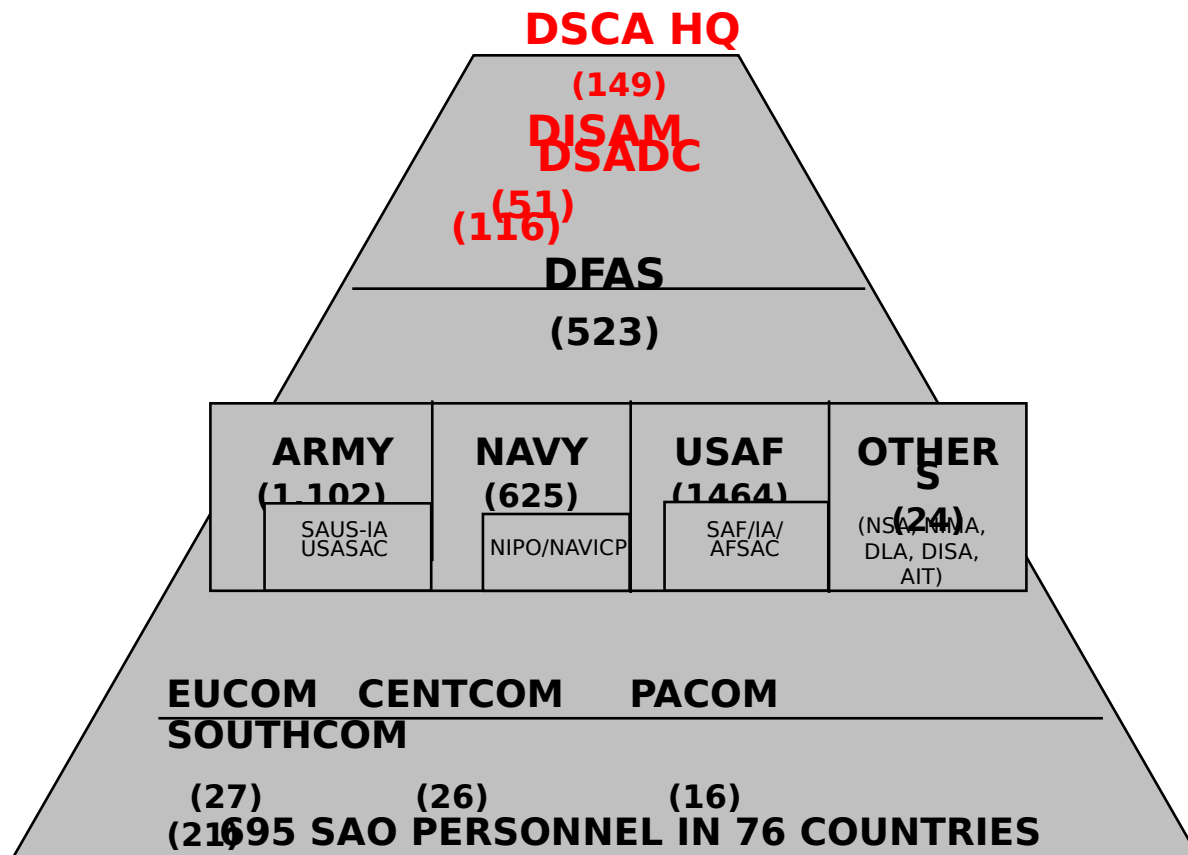
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IMPLEMENTERS

(3,215)

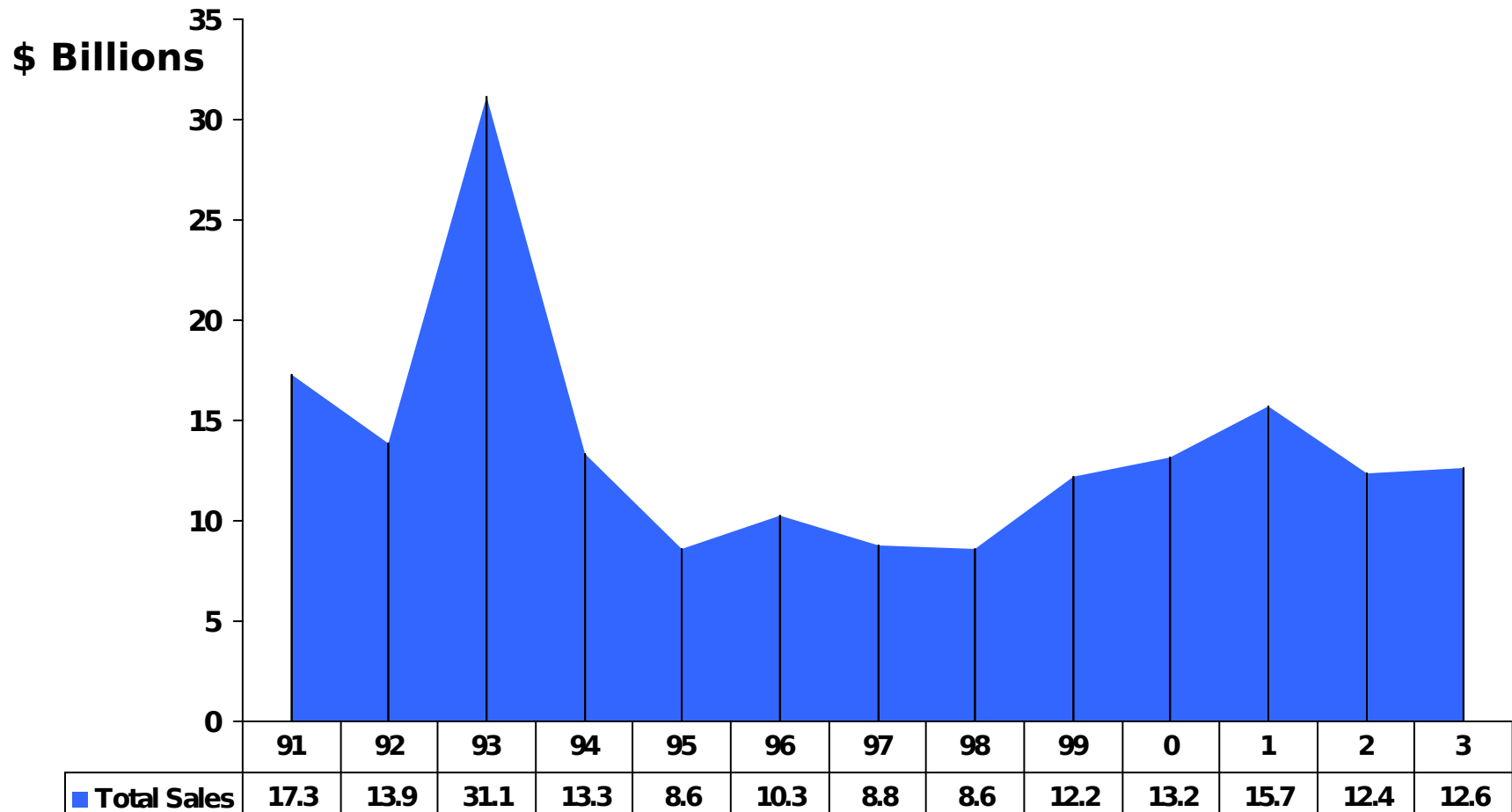
**UNIFIED
COMMANDS**
(90)

SAO'S
(695)





FOREIGN MILITARY SALES

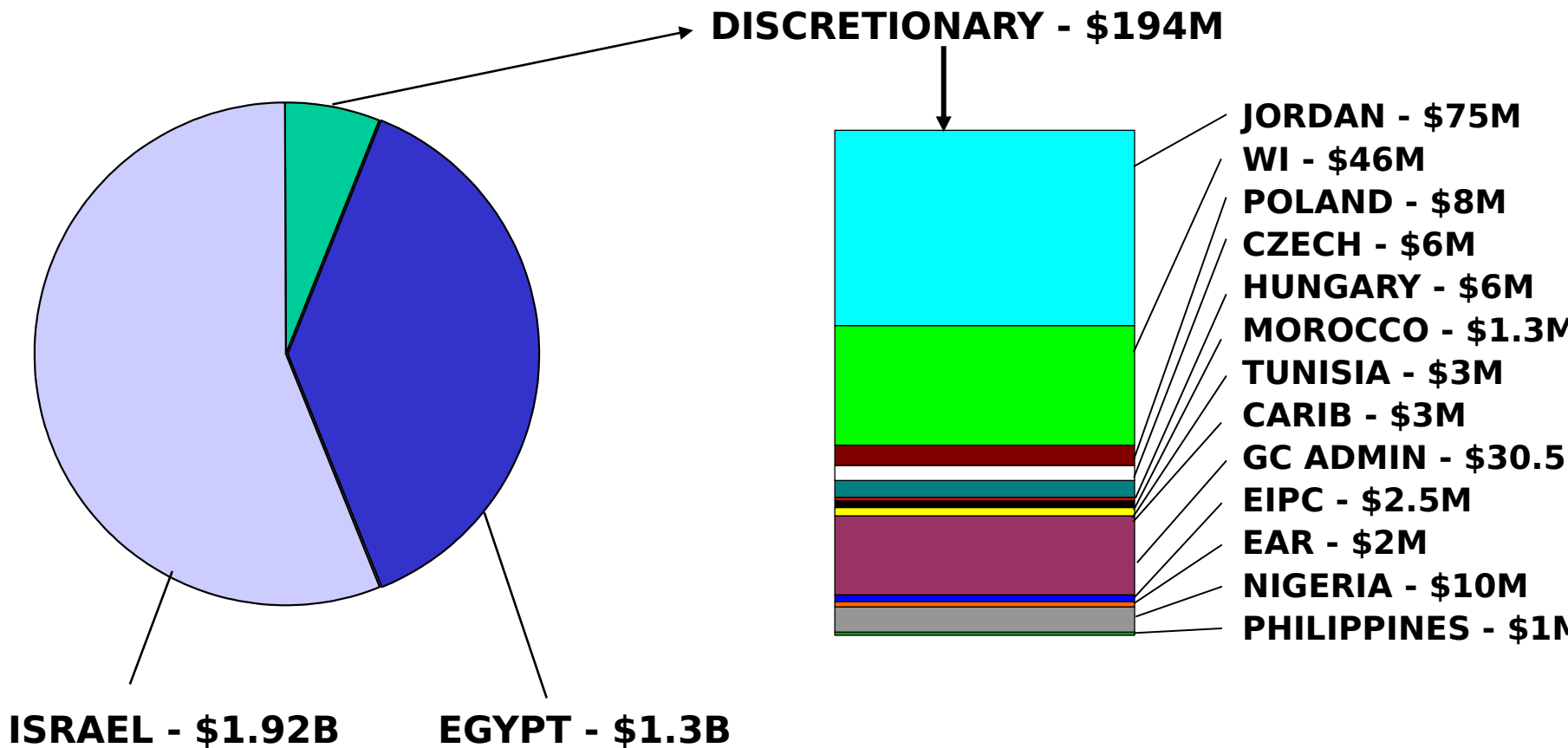




FOREIGN MILITARY FINANCING: *FY 00 ALLOCATION*

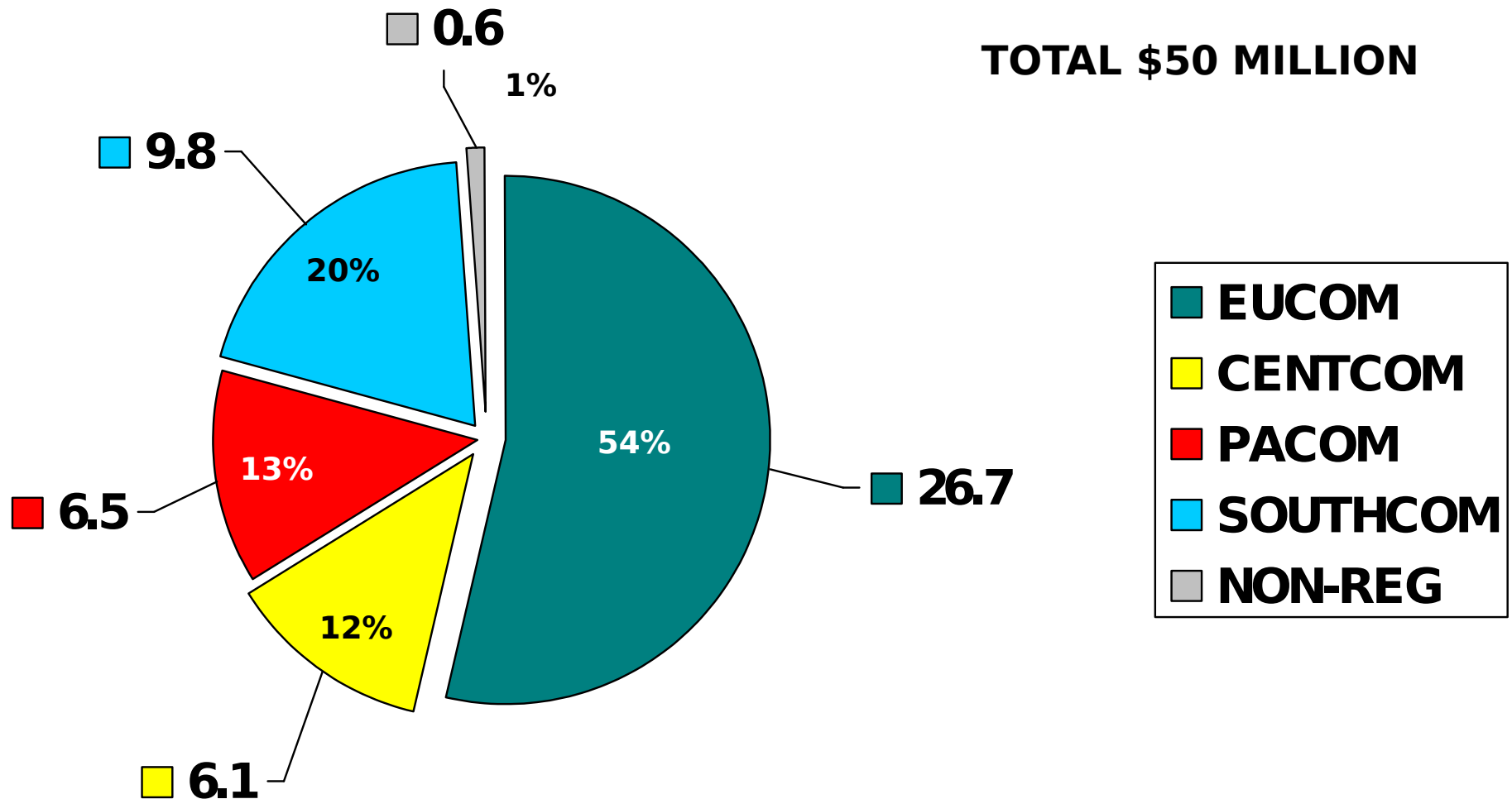


TOTAL = \$3.41B





2000 IMET ALLOCATIONS BY REGION





INTERNATIONAL TRAINING

“The Network Supporting Security Assistance”



- **INTERNATIONAL MILITARY STUDENT OFFICER (IMSO)**
 - **CRITICAL TO SUCCESS OF INTERNATIONAL TRAINING**
 - ▮ **KEY TO GLOBAL SECURITY ASSISTANCE NETWORK**
 - ▮ **IMSO - IMSO NETWORK VITAL**
- **FY99 INTERNATIONAL STUDENT STATISTICS**
 - ▮ **ABOUT 28,000 STUDENTS UNDER BOTH FMS AND IMET**
 - ▮ **TOTAL VALUE OF OVER \$459 MILLION**
- **SUPPORTS SALES OF U.S. DEFENSE EQUIPMENT**
 - ▮ **CURRENT - AND - BUILDS MARKET FOR FUTURE SALES**
 - ▮ **CRITICAL TO US ENGAGEMENT STRATEGY**
 - ▮ **ENHANCES COALITION BUILDING AND STRATEGY**



INTERNATIONAL TRAINING FUTURE: COOPERATION WILL BE CRITICAL



- **DISTANCE LEARNING**
 - **TECHNOLOGICAL ALTERNATIVES TO
DOWNSIZING**
 - ▮ **IMPACT ON INTERNATIONALS
IMMENSE**
 - ▮ **MOST DIFFICULT TRAINING
MANAGEMENT QUESTIONS OF THE
DECADE**



INTERNATIONAL TRAINING CHALLENGES



- **PROTECT INTERNATIONAL QUOTAS**
- **LEGISLATIVE REQUIREMENTS**
 - **ANNUAL INTERNATIONAL TRAINING REPORT**
 - **RESTRICTIONS**
 - **EARMARKS**



HUMANITARIAN ASSISTANCE & DEMINING



- **HUMANITARIAN ASSISTANCE (FY 00 - \$30.2M) PROVIDES:**
 - **EMERGENCY ASSISTANCE (FOOD, SHELTER, MEDICAL, TRANSPORTATION)**
 - ▢ **NON-EMERGENCY ASSISTANCE (NON-LETHAL EXCESS PROPERTY, TRANSPORTATION OF NGO-DONATED RELIEF SUPPLIES, SERVICES--E.G. MEDICAL AND ENGINEERING)**
 - ▢ **PACOM HA PROGRAM FUNDED AT \$2.6M**

- **DEMINING ASSISTANCE (FY 00 - \$25.6M) PROVIDES:**
 - ▢ **ASSISTS COUNTRIES TO CLEAR EXISTING LANDMINES**
 - ▢ **DESIGNS SUSTAINABLE INDIGENOUS PROGRAMS**
 - ▢ **PROMOTES HUMAN WELFARE THROUGH MINE AWARENESS/DEMINING TRAINING**
 - ▢ **PACOM HD PROGRAM FUNDED AT \$2.6M**



DSCA MAJOR EFFORTS



External

- **RE-ENGINEER THE FMS PROCESS AND MEET CUSTOMER NEEDS**
- **MAINTAIN SECURITY ASSISTANCE TRUST FUND SOLVENCY**
- **MAINTAIN SOLVENCY OF CUSTOMER TRUST FUNDS**
- **ENSURE CONTINUED VIABILITY OF AGENCY**

Internal

- **IMPLEMENT AGENCY 5 YEAR STRATEGIC PLAN**
- **COMPLETE AGENCY'S BUSINESS PERFORMANCE PLAN FOR DEFENSE MANAGEMENT COUNCIL**
- **DEVELOP & FIELD DSAMS**



THE NEED TO REINVENT



- **PERCEPTIONS THAT FMS HAS BECOME OBSOLETE**
- **DEFENSE MARKETPLACE IS MORE COMPETITIVE**
- **SHARPER PENCILS BEING USED BY FOREIGN CUSTOMERS**
 - **PRICE, OFFSETS, TECHNOLOGY TRANSFER ARE STRONGLY WEIGHTED**
- **INCREASING NUMBER OF CLASHES BETWEEN SECURITY CONCERNS AND CUSTOMER DEMANDS**



FMS REINVENTION IS RESPONDING TO CHALLENGES



➔ **COMPETITIVE
PRICING**

□ **BETTER
SERVICE**

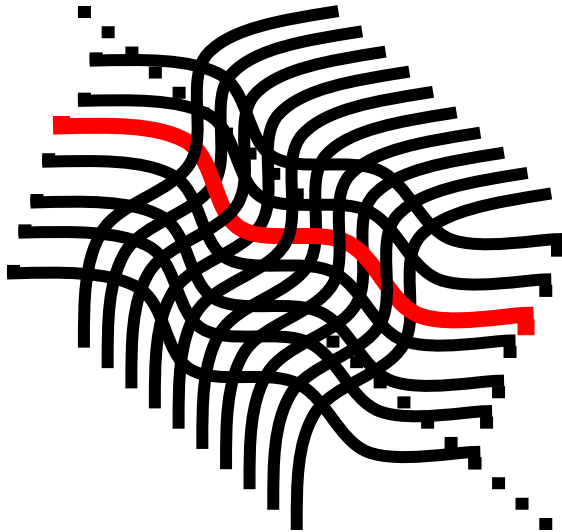
□ **BETTER ARMS
TRANSFER
PROCESS**

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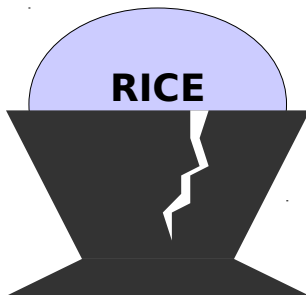
**USG ABLE TO
MEET CUSTOMER
NEEDS**



HARDER THAN WE THOUGHT



- **SURPRISED BY DEPTH AND COMPLEXITY**
- **ISSUES NOT UNIQUE - CHANGING ONE IMPACTS THE OTHERS**
- **INSTITUTIONAL EQUITIES CHALLENGED (BUT NOW IMPROVING)**





FMS REINVENTION: KEY ACTIONS



TRANSPARENCY

- INCREASING CUSTOMER INVOLVEMENT
- ENGAGING CUSTOMERS IN REINVENTION
- GREATER OFFSET VISIBILITY

PRICING

- REDUCED ADMIN FEE TO 2.5% (17% Reduction)
- FFP/NTE LOAs & DIRECT COMMERCIAL HYBRIDS
- SECONDARY ITEMS INITIATIVE

ARMS TRANSFER

- ESTABLISHED ARMS TRANSFER POLICY REVIEW GROUP (ATPRG)
- OPENED DIALOGUE ON EXPORT CONTROLS

FINANCIAL

- \$5B REDUCTION IN SHIPPED/DELIVERY NOT REPORTED
- 20% DROP IN OPEN SUPPLY COMPLETE CASES
- MORE CASES CLOSED



THE FUTURE



- **SECURITY COOPERATION REFLECTS ON USG AND DEMONSTRATES COMMITMENT TO SECURITY NEEDS OF OUR FRIENDS AND ALLIES**
- **SECURITY COOPERATION WILL CONTINUE TO BE AN IMPORTANT TOOL FOR POLICY MAKERS**
- **WE CAN EXPECT:**
 - **CONTINUED SCRUTINY OF FOREIGN AID REQUESTS**
 - ▮ **CONTINUED PRESSURE TO REDUCE MANPOWER RESOURCES**
 - ▮ **INCREASED COMPETITIVE MARKET FOR SMALLER DEFENSE BUDGETS**



AGENCY VISION



TO BE THE PREMIER AGENCY RECOGNIZED AND RESPECTED FOR LEADERSHIP, EXPERTISE, INNOVATION, AND RESULTS IN SECURITY COOPERATION...

- **A HIGHLY QUALIFIED TEAM OF MOTIVATED PROFESSIONALS**
- **VITAL TO SUPPORTING US INTERESTS AND SECURITY RELATIONSHIP**
- **THE INTERNATIONAL PARTNER OF CHOICE**

...MASTERING THE CHALLENGES OF A CHANGING GLOBAL ENVIRONMENT.

***Decisive
Supportive
Committed
Accessible***



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